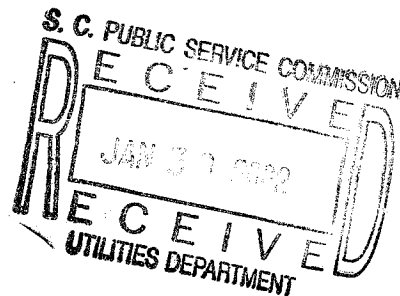


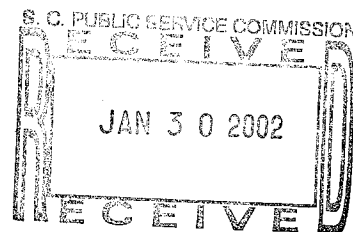
**POSTED**  
1-30-02

**ORIGINAL**

**Application of United Utility  
Companies, Inc. for approval of a new  
schedule of rates and charges for  
water and sewer service in its  
certificated service areas in  
South Carolina.**



***Docket No. 2000-210-W/S***



***Testimony of  
William O. Richardson  
Utilities Department***

***Public Service Commission of South Carolina***

RETURN DATE: 06 D. West  
SERVICE: OK D. West

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.**

2 **A.** William O. Richardson, 101 Executive Center Drive, Columbia, South Carolina  
3 29210. I am employed by the Public Service Commission of South Carolina,  
4 Utilities Department, as an Engineer Associate.

5 **Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND**  
6 **EXPERIENCE.**

7 **A.** I received a Bachelor of Science Degree in Electrical and Computer Engineering  
8 from Clemson University in 1975. After graduation I was employed by Daniel  
9 Construction Company as an Electrical Engineer in the Power Division. In  
10 1978 I was employed by this Commission as an Engineer Associate II. I have  
11 attended various courses and seminars related to engineering, life analysis and  
12 accounting relationships. I have testified before this Commission in other  
13 proceedings involving fuel adjustment clauses, purchased gas adjustments,  
14 and rate case proceedings of electric, water and wastewater utilities.

15 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
16 **PROCEEDING?**

17 **A.** The purpose of my testimony is to set forth, in summary form, the Staff's  
18 findings relative to the determination of the amount of additional operating  
19 revenues that would result from the implementation of the proposed  
20 schedules of rates and charges.

21 **Q. I SHOW YOU THE REPORT, TITLED, "COMMISSION STAFF REPORT,**  
22 **UNITED UTILITY COMPANIES, INC., SOUTH CAROLINA PUBLIC**  
23 **SERVICE COMMISSION, DOCKET NO. 2000-210-W/S." ARE THE**  
24 **FINDINGS OF YOUR REVIEW CONTAINED IN THIS REPORT?**

25 **A.** Yes, they are contained under the Utilities Department tab.

26 **Q. PLEASE EXPLAIN HOW YOU COMPILED THE INFORMATION IN YOUR**  
27 **REPORT.**

28 **A.** By using the information provided by the Company in its Application and the  
29 Company's responses to Staff's Data Requests and an audit of the Company's  
30 books and records, Staff was able to determine the amount of additional  
31 operating revenues which would be produced by the proposed rates.

1 **Q. PLEASE EXPLAIN EXHIBIT NO. 1 OF YOUR REPORT.**

2 **A.** Exhibit No. 1, page 1, is a summary of the changes to the rates since the last  
3 rate case order, pages 2-8 are the currently approved rates, and pages 9-15  
4 are the proposed rates.

5 **Q. PLEASE EXPLAIN EXHIBITS NO. 2 AND 3 OF YOUR REPORT.**

6 **A.** Exhibit No. 2, on page 16 of the report summarizes the effect of the present  
7 and proposed rates on the Company's operating revenue. Under the present  
8 rates approved for United Utility Companies, Inc., the Company's present  
9 revenue is \$374,188. Using the proposed rates, the Company would receive  
10 \$668,940, resulting in an increase of \$294,752 or an increase of 78.77%.  
11 Exhibit No. 3, on page 17, summarizes the effect of the proposed rates and  
12 charges on a customer's average water and sewer bill.

13 **Q. PLEASE EXPLAIN EXHIBIT NO. 4.**

14 **A.** Exhibit No. 4 is a review of service provided by the Company. As noted on  
15 Exhibit No. 4, the Commission Staff received a total of 4 complaints over the  
16 last 3 years. Pages 19 through 28 contain a summary of the Business Office  
17 Compliance Review Report and Staff's inspections of the facilities owned and  
18 operated by the Company.

19 **Q. DOES STAFF RECOMMEND ANY CHANGES TO THE PROPOSED**  
20 **TARIFFS?**

21 **A.** Yes. The proposed rate schedule contains a tax multiplier (item No. 6 on the  
22 water and sewer rate schedules) which is no longer in effect. Therefore, Staff  
23 recommends removal of the tax multiplier from the proposed rate schedules.  
24 On June 12, 1996, the President signed into law a bill which eliminated the  
25 need for a gross up provision by eliminating CIAC as taxable income. On  
26 September 10, 1996, the Commission voted to eliminate the gross up  
27 provision for water and wastewater utilities, and an order was subsequently  
28 issued to that effect.

29 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

30 **A.** Yes it does.  
31